

CITY OF MIAMI BEACH
Office of the City Manager
Letter to Commission No. 191-2005



To: Mayor David Dermer and
Members of the City Commission

Date: July 22, 2005

From: Jorge M. Gonzalez
City Manager

A handwritten signature in black ink, appearing to read "Jorge", written over the printed name.

Subject: FACADE RENOVATION AT OCEAN FRONT APARTMENTS

This memorandum is in response to your question about the façade renovation at Ocean Front Apartments, 7400 Ocean Terrace, and the availability of Community Development Block Grant (CDBG) funds through North Beach Development Corporation (NBDC).

Over several years NBDC has been allocating funds to do façade renovations in the North Beach area. The last CDBG allocation was in February 2003. Over time, NBDC has used small amounts of the allocated funds for projects and not always on a timely basis. While project funds were not being fully expended, the portion of funds from the façade renovation for NBDC administration, were being used.

Housing and Urban Development (HUD) imposes a spending time line for each of our project allocations. In the case of NBDC, with few committed projects and significant amounts of unspent funds it was necessary to reprogram funds to other projects that would use the funds. With the City CDBG allocations shrinking, meeting the HUD spending timeline has been increasingly difficult.

Each of the reprogramming decisions has been communicated to NBDC in advance and they have been cautioned to address project commitments.

The first reprogramming of funds occurred this year and \$217,862 in NBDC funds were reprogrammed by the City Commission to address an urgent need in the community health centers. The \$217,862 was comprised of the current Fiscal Year (FY) 2004/05 unspent allocation for renovation in the amount of \$115,000 and previous years unspent and uncommitted funds in the amount of \$102,862 from FY 1999/00, 2000/01 and 2001/02.

In the CDBG award process that is just being completed and will soon be forwarded to the City Commission for final action, another \$100,000 in previous years unspent and uncommitted funds has been reprogrammed to be made available for other priority community projects and organizations. Projects such as the Normandy Pool, Little Havana Day Care and affordable housing were all beneficiaries of the reallocation.

The staff has reviewed with NBDC the total amount of available and uncommitted funds for façade renovation. Approximately \$38,000 is available in CDBG façade renovation funds. The staff has also met with NBDC and the owner of the property at 7400 Ocean Terrace to discuss the owner's interest in receiving the available façade renovation funds and his level

of comfort in working within the conditions imposed by federal funding agreements. The owner was very receptive to the façade renovation program and the amount of funds that were available from NBDC. The staff is working together with NBDC and the owner to provide a one year extension so that the funds may be utilized in a fashion that is appropriate with the project timing. Given the small amount of the funds available, the one year extension does not trigger the HUD timeliness spending requirement.

The CDBG staff will work with NBDC and the owner of 7400 Ocean Terrace to process a façade application for the remaining NBDC funding. Award of the façade grant will utilize all of the available funds and the account can be closed at that point.



JMG:RCM:sam

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c: Mayor and City Commission
Robert C. Middaugh, Assistant City Manager
Vivian Guzman, Director of Neighborhood Services
John Quade, Community Development Specialist

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